

Edwards Supports Legislation To Expand Federal Housing Assistance, Provide \$7,500 Tax Credit for 1st Time Home Buyers

(Washington, D.C.) -- U.S. Representative Chet Edwards supported a comprehensive package of legislation aimed at strengthening the U.S. housing market amid increasing rates of home foreclosures that have weakened the overall economy.

“Though Central Texas has not been hurt as badly by the foreclosure crisis as many parts of the country, this bill is vital to help stabilize the national housing market, limit further damage to the American economy, and protect hard-working families at risk of losing their homes,” said Edwards. “Should this legislation become law, local families will be able to take advantage of the \$7,500 tax credit and expanded federal housing assistance to help them preserve the American dream of owning their own home.”

The package of legislation gives first-time homebuyers a refundable tax credit up to \$7,500 that would serve as an interest-free loan to spur home buying. It also provides an additional standard deduction in 2008 of up to \$350 for individuals and \$700 for couples for state and local property taxes, and \$10 billion of additional tax-exempt bond authority to refinance subprime loans, make loans to first-time homebuyers and to finance the building of affordable rental housing.

The housing package also expands the Federal Housing Assistance (FHA) program so that borrowers in danger of losing their home can refinance into more affordable, lower-cost government-insured mortgages. Under the legislation, states are also supplied with \$15 billion in loans and grants to acquire foreclosed homes standing empty, to rehabilitate foreclosed property, and to restore home values in neighborhoods hit hard by the crisis.

The bill is supported by the National Governors’ Association, U.S. Conference of Mayors, National Association of Counties, National Association of Local Housing Finance Agencies, National Community Development Association, and the National Council of State Housing Agencies among others.